



ANNUAL STATEMENT FOR THE YEAR 2008 OF THE HumanaDental Insurance Company

Statement of Actuarial Opinion

HUMANADENTAL INSURANCE COMPANY

STATEMENT OF ACTUARIAL OPINION  
December 31, 2008

I, Frank M. Amrine, am Actuarial Director and Appointed Actuary of HumanaDental Insurance Company and a member of the American Academy of Actuaries. I was appointed by, or by the authority of, the Board of Directors of HumanaDental Insurance Company to render this opinion as stated in the letter to the Commissioner dated September 3, 2004. I meet the Academy qualification standards for rendering this opinion and am familiar with the valuation requirements applicable to life and health insurance companies. This opinion was prepared for and may be relied upon by only HumanaDental Insurance Company, Humana Inc., and the Office of the Commissioner of Insurance or Department of Insurance where it is filed.

I have examined the actuarial assumptions and actuarial methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the company, as prepared for filing with state regulatory officials, as of December 31, 2008. Tabulated below are those reserves and related actuarial items that have been subjected to asset adequacy analysis.

ASSET ADEQUACY TESTED AMOUNTS  
RESERVES AND LIABILITIES  
December 31, 2008

	Formula Reserves (1)	Additional Actuarial Reserves (2)	Analysis Method	Other Amount (3)	Total Amount (1)+(2)+(3) (4)
Exhibit 5 (Page 3, Line 1)	\$0				\$0
Exhibit 6 (Page 3, Line 2)	\$224,099		(1)		\$224,099
	\$1,000		(2)		\$1,000
Total Exhibit 6	\$225,099				\$225,099
Exhibit 7 (Page 3, Line 3)	\$0				\$0
Exhibit 8, Part 1					
1. Life (Page 3, Line 4.1)	\$0				\$0
2. Health (Page 3, Line 4.2)	\$11,959,166		(3)		\$11,959,166
	\$3,697,378		(1)		\$3,697,378
Total Exhibit 8, Part 1	\$15,656,544				\$15,656,544
Separate Accounts (Page 3, Line 27)	\$0				\$0
Total Reserves	\$15,881,643				\$15,881,643

	Formula Reserves (1)	Additional Actuarial Reserves (2)	Analysis Method	Other Amount (3)	Total Amount (1)+(2)+(3) (4)
IMR (Page 3, Line 9.4)				\$449,922	\$449,922
AVR (Page 3, Line 24.1)				\$69,043	\$69,043
Net Deferred and Uncollected Premiums	\$1,650,489		(1)		\$1,650,489

- (1) These liabilities are not subject to material deviation, an alternative to cash flow testing specifically allowed in Actuarial Standard of Practice No. 22.
- (2) Additional conservatism, an alternative to cash flow testing, specifically permitted by Actuarial



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Standard of Practice No. 22.

(3) Gross premium valuation.

I have relied upon the following individuals for certain critical aspects of the analysis performed in conjunction with forming my opinion, as certified in the attached statements. Precise identification of the items subject to reliance is included in each statement. I have reviewed the information relied upon for reasonableness.

- Robert W. Coons, Director of Statutory Reporting
- William C. Frank, FSA, MAAA, Actuarial Director

In forming my opinion on reserve liabilities, I relied upon data prepared by the following individuals, as certified in the attached statements. Precise identification of the items subject to reliance is included in each statement. I evaluated the data for reasonableness and consistency. As noted in the attached statements, the certifying individuals reconciled the data to exhibits and schedules of the company's current annual statement, as listed.

- Mike Beavin, Director of Business Informatics
- Robert W. Coons, Director of Statutory Reporting
- Christa M. Gambert, Director - Service Operations and Information Technology Finance
- Joan E. Handschke, Finance Manager
- Belinda J. Martin, Investment Accounting Manager
- Steven E. McCulley, Vice President and Controller, Principal Accounting Officer

In other respects, my examination included review of the actuarial assumptions and actuarial methods and of the underlying basic asset and liability records and tests of the actuarial calculations I considered necessary.

In my opinion, the reserves and related actuarial values concerning the statement items identified above:

- A. Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated, in accordance with sound actuarial principles;
- B. Are based on actuarial assumptions that produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;
- C. Meet the requirements of the Insurance Law and regulations of the State of Wisconsin, and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed;
- D. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- E. Include provision for all actuarial reserves and related items which ought to be established.

The reserves and related items, when considered in light of the assets held by the company with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on the assets, and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the company.

The company's parent, Humana Inc., has an indemnification agreement with HumanaDental Insurance Company and each of Humana Inc.'s regulated subsidiaries that provides a guarantee by the parent company, in the event of insolvency, for (1) member coverage for which premium payment has been made prior to

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insolvency, (2) benefits for members then hospitalized until discharged, and (3) payment to providers for services rendered prior to insolvency.

The actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board which form the basis of this statement of opinion.

This opinion is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion that should be considered in reviewing this opinion.

The impact of unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion. The analysis of the asset adequacy portion of this opinion should be viewed recognizing that the company's future experience may not follow all the assumptions used in the analysis.

Date: February 12, 2009

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Frank M. Amrine, FSA, MAAA  
Actuarial Director and Appointed Actuary  
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